Form (2)

Sr. No. 6263 - D
Dated. 18-6-2014

THE REPUBLIC OF THE UNION OF MYANMAR

The Myanmar Investment Commission

PERMIT

Permit No. 737/2014 Date 18th June 2014

This Permit is issued by the Myanmar Investment Commission according to the section 13, sub - section (b) of the Republic of the Union of Myanmar Foreign Investment Law-

(a) Name of Investor/Promoter MR. SHIGEYUKI MIYAMOTO

(b) Citizenship JAPANESE

(c) Address AMAGAYA 831, OYAMA-SHI, TOCHIGI 323-0826, JAPAN

(d) Name and Address of Principle Organization KOMATSU LTD., 2-3-6 AKASAKA MINATO-KU, TOKYO 107- 8414, JAPAN

(e) Place of incorporation JAPAN

(f) Type of business in which investment is to be made MANUFACTURING AND MARKETING OF CERTAIN VITAL COMPONENTS AND ELECTRICITY GENERATORS, MAINTENANCE AND REPAIR OF KOMATSU BRAND FOR MINING AND CONSTRUCTION EQUIPMENTS

(g) Place(s) at which investment is permitted PLOT NO.589/KA, YANGON-MANDALAY HIGHWAY ROAD, HTEIN GONE WARD, PYI GYI DAGUN TOWNSHIP, MANDALAY REGION

(h) Amount of foreign capital US $ 5.50 MILLION

(i) Period for bringing in foreign capital WITHIN 3 YEARS AFTER ISSUANCE OF MIC PERMIT

(j) Total amount of capital (Kyat) EQUIVALENT IN KYAT OF US $ 5.50 MILLION

(k) Construction period 6 MONTHS

(l) Permitted duration of investment 36 YEARS

(m) Form of investment WHOLLY FOREIGN OWNED INVESTMENT

(n) Name of Company incorporated in Myanmar KOMATSU MANUFACTURING MYANMAR LIMITED

Chairman
The Myanmar Investment Commission

ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်
မြန်မာနိုင်ငံ ရင်းနှီးမြှုပ်နှံမှု ကော်မရှင်

ခွင့်ပြုမိန့်

ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော် မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်
စာအမှတ် ...
ရက်စွဲ ၁၈.၆.၂၀၁၄

ခွင့်ပြုမိန့်အမှတ် ၃၃၃/၂၀၁၄ ၂၀၁၄ ခုနှစ်၊ ဇွန်လ ၁၈ ရက်

ပြည်ထောင်စုသမ္မတ မြန်မာနိုင်ငံတော်နိုင်ငံခြားရင်းနှီးမြှုပ်နှံမှု ဥပဒေ ပုဒ်မ ၁၃၊ ပုဒ်မခွဲ(ခ) အရ ဤခွင့်ပြုမိန့်ကို မြန်မာနိုင်ငံ ရင်းနှီးမြှုပ်နှံမှု ကော်မရှင်က ထုတ်ပေးလိုက်သည် -

(က) ရင်းနှီးမြှုပ်နှံသူ/ကမကထပြုသူအမည် MR. SHIGEYUKI MIYAMOTO

(ခ) နိုင်ငံသား JAPANESE

(ဂ) နေရပ်လိပ်စာ AMAGAYA 831, OYAMA-SHI, TOCHIGI 323-0826, JAPAN

(ဃ) ပင်မအဖွဲ့အစည်းအမည်နှင့်လိပ်စာ KOMATSU LTD., 2-3-6 AKASAKA MINATO-KU, TOKYO 107-8414, JAPAN

(င) ဖွဲ့စည်းရာအရပ် JAPAN

(စ) ရင်းနှီးမြှုပ်နှံသည့်လုပ်ငန်းအမျိုးအစား MANUFACTURING AND MARKETING OF CERTAIN VITAL COMPONENTS AND ELECTRICITY GENERATORS, MAINTENANCE AND REPAIR OF KOMATSU BRAND FOR MINING AND CONSTRUCTION EQUIPMENTS

(ဆ) ရင်းနှီးမြှုပ်နှံသည့်အရပ်ဒေသ(များ) မြေကွက်အမှတ် ၅၈၉/က၊ ရန်ကုန်-မန္တလေး အမြန်လမ်းမကြီး၊ ထိန်ကုန်းရပ်ကွက်၊ ပြည်ကြီးတံခွန်မြို့နယ်၊ မန္တလေးတိုင်းဒေသကြီး

(ဇ) နိုင်ငံခြားမတည်ငွေရင်း ပမာဏ အမေရိကန်ဒေါ်လာ ၅.၅၀ သန်း

(ဈ) နိုင်ငံခြားမတည်ငွေရင်းယူဆောင်လာရမည့်ကာလ ကော်မရှင်ခွင့်ပြုမိန့်ရရှိပြီး (၃)နှစ် အတွင်း

(ည) စုစုပေါင်း မတည်ငွေရင်းပမာဏ(ကျပ်) အမေရိကန်ဒေါ်လာ ၅.၅၀ သန်းနှင့် ညီမျှသော မြန်မာကျပ်ငွေ

(ဋ) တည်ဆောက်မှုကာလ ၆ လ

(ဌ) ရင်းနှီးမြှုပ်နှံခွင့်ပြုသည့် သက်တမ်း ၃၆ နှစ်

(ဍ) ရင်းနှီးမြှုပ်နှံမှုပုံစံ ရာခိုင်နှုန်းပြည့်နိုင်ငံခြားရင်းနှီးမြှုပ်နှံမှု

(ဎ) မြန်မာနိုင်ငံတွင် ဖွဲ့စည်းမည့် ကုမ္ပဏီအမည် KOMATSU MANUFACTURING MYANMAR LIMITED

ဥက္ကဋ္ဌ
မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်

Republic of the Union of Myanmar Sr.No. 6267 - ၁ Dated 18-6-2014

THE REPUBLIC OF THE UNION OF MYANMAR
MYANMAR INVESTMENT COMMISSION
Building No.(32), Nay Pyi Taw

Our ref : DICA-6(A)/FI-897/2014(6267 - ၁)
Date : 18th June 2014

Tel: 067- 406334, 406075
Fax: 067-406333

Subject: **Decision of the Myanmar Investment Commission on the Proposal for "Manufacturing and marketing of certain vital components and electricity generators, maintenance and repair of Komatsu brand for mining and construction equipments" under the name of "Komatsu Manufacturing Myanmar Ltd."**

Reference: Komatsu Manufacturing Myanmar Ltd. Letter dated (23-9-2013)

1. The Myanmar Investment Commission, at its meeting (14/2014) held on (14-5-2014) had approved the proposal for investment in "Manufacturing and marketing of certain vital components and electricity generators, maintenance and repair of Komatsu brand for mining and construction equipments" under the name of "Komatsu Manufacturing Myanmar Ltd." submitted by Komatsu Ltd. (99.99%) from Japan and Komatsu Parts Asia Co., Ltd. (0.01%) from Thailand as a wholly foreign owned investment.

2. Hence, the "Permit" is herewith issued in accordance with Chapter VII, section 13(b) of Foreign Investment Law and Chapter VIII, Rule 49 of the Foreign Investment Rules relating to Foreign Investment Law. Terms and conditions to the "Permit" are stated in the following paragraphs.

3. The permitted duration of the project shall be 36(Thirty-six) years commencing from the date of the issuance of MIC permit. The term of the Lease Agreement for land and buildings between U Win Than Oo, U Tin Myo Oo, U Thein Than Oo, Daw Thida Htwe and Komatsu Manufacturing Myanmar Ltd. shall be 10(Ten) years from the date of signing of this Agreement.

4. The annual rent for the land and buildings shall be calculated at the rate of US $ 20.45 per square metre for the first 3 years, at the rate of US$ 22.39 per square metre for the second 3 years, at the rate of US$ 24.52 per square metre for the third 2 years and at the rate of US$ 26.84 per square metre for the forth 2 years of the land and buildings measuring 11,735.87 square metres (2.9acres).

5. In issuing this "Permit," the Commission has granted, the followings, exemptions and reliefs as per Chapter XII, section 27(a), (h) and (i) of Foreign

Investment Law. Other exemptions and reliefs under section 27 shall have to be applied upon the actual performance of the project;

(a) As per section 27(a), income tax exemption for a period of five consecutive years including the year of commencement on commercial production;

(b) As per section 27(h), exemption or relief from customs duty or other internal taxes or both on machinery, equipment, instruments, machinery components, spare parts and materials used in the business, which are imported as they are actually required for use during the period of construction of business;

(c) As per section 27(i), exemption or relief from customs duty or other internal taxes or both on raw materials imported for production for the first three-year after the completion of construction of business.

6. Komatsu Manufacturing Myanmar Ltd. shall have to pay the customs duty and commercial tax for importation of spare parts, distribution and selling of solutions in relation to maintenance and repair of Komatsu brand for mining and construction equipments.

7. Komatsu Manufacturing Myanmar Ltd. shall have to sign the Lease Agreement for land and buildings with U Win Than Oo, U Tin Myo Oo, U Thein Than Oo and Daw Thida Htwe. After signing such Agreements, (5) copies shall have to be forwarded to the Commission.

8. Komatsu Manufacturing Myanmar Ltd. in consultation with the Department of Company Registration, Directorate of Investment and Company Administration shall have to be registered. After registration, (5) copies each of Certificate of Incorporation and Memorandum of Association and Articles of Association shall have to be forwarded to the Commission.

9. Komatsu Manufacturing Myanmar Ltd. shall use its best efforts for timely realization of works stated in the proposal. If none of such works has been commenced within one year from the date of issue of this "Permit", it shall become null and void.

10. Komatsu Manufacturing Myanmar Ltd. has to abide by Chapter X, Rule 58 and 59 of the Foreign Investment Rules for construction period.

11. As per Chapter X, Rule 61 of the Foreign Investment Rules, extension of construction period shall not be allowed more than one except it is due to unavoidable

events such as natural disasters, instabilities, riots, strikes, emergency of State condition, insurgency and outbreak of wars.

12. As per Chapter X, Rule 63 of the Foreign Investment Rules, if the Komatsu Manufacturing Myanmar Ltd. cannot construct completely in time the construction period or extension period, the Commission will have to withdraw the permit issued to the investor and there is no refund for the expenses of the project.

13. The commercial date of operation shall be reported to the Commission.

14. Komatsu Manufacturing Myanmar Ltd. shall endeavour to meet the targets for production stated in the proposal as the minimum target.

15. The Commission approves periodical appointments of foreign experts and technicians from abroad as per proposal and also in accordance with Chapter XI, section 24 and section 25 of the Foreign Investment Law and Komatsu Manufacturing Myanmar Ltd. has to follow the existing Labour Laws for the recruitment of staff and labour in accordance with Chapter XIII, Rule 84 of the Foreign Investment Rules.

16. In order to evaluate foreign capital and for the purpose of its registration in accordance with the provisions under Chapter XV, section 37 of Foreign Investment Law, it is compulsory to report as early as possible in the following manner:-

(a) the amount of foreign currency brought into Myanmar, attached with the necessary documents issued by the respective bank where the account is opened and defined under Chapter XVI, Rule 134 and 135 of the Foreign Investment Rules;

(b) the detailed lists of the type and value of foreign capital defined under Chapter I, section 2(i) of Foreign Investment Law, other than foreign currency.

17. Whenever Komatsu Manufacturing Myanmar Ltd. brings in foreign capital defined under Chapter I, section 2(i) of Foreign Investment Law, other than foreign currency in the manner stated in paragraph 16(b) mentioned above, the Inspection Certificate endorsed and issued by an internationally recognized Inspection Firm with regard to quantity, quality and price of imported materials shall have to be attached.

18. Komatsu Manufacturing Myanmar Ltd. has the right to make account transfer and expend the foreign currency from his bank account in accordance with Chapter

XVI, Rule 136 of the Foreign Investment Rules and for account transfer of local currency generated from the business to the local currency account opened at the bank by a citizen or a citizen-owned business in the Union and right to transfer back the equivalent amount of foreign currency from the foreign currency bank account of a citizen or citizen-owned business by submitting the sufficient document in accordance with Chapter XVII, Rule 145 of the Foreign Investment Rules.

19. Komatsu Manufacturing Myanmar Ltd. shall report to the Commission for any alteration in the physical and financial plan of the project. Cost over-run, over and above the investment amount pledged in both local and foreign currency shall have to be reported as early as possible.

20. Komatsu Manufacturing Myanmar Ltd. shall be responsible for the preservation of the environment at and around the area of the project site. In addition to this, it shall carry out as per instructions made by Ministry of Environmental Conservation and Forestry in which to conduct Environmental Impact Assessment (EIA) Process and an Environmental Management Plan (EMP) which describe the measure to be taken for preventing, mitigation and monitoring significant environmental impacts resulting from the implementation and operation of proposed project or business or activity has to be prepared and submitted and to perform activities in accordance with this EMP and to abide by the environmental policy, Environmental Conservation Law and other environmental related rules and procedures.

21. Komatsu Manufacturing Myanmar Ltd. shall contribute minimum 1% of the annual net profit for Corporate Social Responsibility (CSR) activities in Myanmar.

22. After getting permit from Myanmar Investment Commission, Komatsu Manufacturing Myanmar Ltd. shall have to be registered at the Directorate of Industrial Supervision and Inspection.

23. Komatsu Manufacturing Myanmar Ltd. shall have to abide by the Fire Services Department's rules, regulations, directives and instructions. Moreover, fire prevention measures shall have to undertake such as water storage tank, fire extinguishers and provide training to use the fire fighting equipments.

24. Payment of principal and interest of the loan (if any) as well as payment for import of raw materials and spare parts etc., shall only be made out of the local sales of Komatsu Manufacturing Myanmar Ltd.

25. Komatsu Manufacturing Myanmar Ltd. in consultation with Myanma Insurance, shall effect such types of insurance defined under Chapter XII, Rule 79 and 80 of the Foreign Investment Rules.

(Zay Yar Aung)
Chairman

Komatsu Manufacturing Myanmar Ltd.

cc:
1. Office of the Government of the Republic of the Union of Myanmar
2. Office of the Mandalay Region Government
3. Ministry of National Planning and Economic Development
4. Ministry of Finance
5. Ministry of Commerce
6. Ministry of Industry
7. Ministry of Foreign Affairs
8. Ministry of Home Affairs
9. Ministry of Immigration and Population
10. Ministry of Labour, Employment and Social Security
11. Ministry of Electric Power
12. Ministry of Environmental Conservation and Forestry
13. Ministry of Construction
14. Director General, Directorate of Investment and Company Administration
15. Director General, Directorate of Industrial Supervision and Inspection
16. Director General, Customs Department
17. Director General, Internal Revenue Department
18. Director General, Directorate of Trade
19. Director General, Immigration and National Registration Department
20. Director General, Directorate of Labour
21. Director General, Department of Environmental Conservation
22. Director General, Fire Services Department
23. Managing Director, Myanma Foreign Trade Bank
24. Managing Director, Myanma Investment and Commercial Bank
25. Managing Director, Myanma Insurance
26. Managing Director, Myanma Electric Power Enterprise
27. Chairman, Republic of the Union of Myanmar Federation of Chambers of Commerce and Industry(UMFCCI)

အကြောင်းအရာ။ **ရခိုင်နှုန်းပြည့် နိုင်ငံခြား ရင်းနှီးမြှုပ်နှံမှုဖြင့် Komatsu Manufacturing Myanmar Ltd. မှ Manufacturing and marketing of certain vital components and electricity generators လုပ်ငန်း ဆောင်ရွက်ခွင့်ပြုပါရန် တင်ပြလာခြင်းကိစ္စ**

၁။	ကုမ္ပဏီအမည်/ ကမကထပြုသူ	- Komatsu Manufacturing Myanmar Ltd. - Mr. Shigeyuki Miyamoto (Japan)
	အဖွဲ့အစည်းပုံသဏ္ဍာန်	- ၁၀၀% နိုင်ငံခြား ရင်းနှီးမြှုပ်နှံမှု Komatsu Ltd. (ဂျပန်) (၉၉.၉၉%) Komatsu Parts Asia Co., Ltd. (ထိုင်း) (၀.၀၁%)
	လုပ်ငန်းအမျိုးအစား	- Manufacturing and marketing of certain vital components and electricity generators လုပ်ငန်း
၂။	တည်နေရာ	- ဦးပိုင်အမှတ်(စျ-၄၊ ၅၊ ၆၊ ၇၊ ၈၊ ၉၊ ၁၀)၊ မြေကွက်အမှတ် (၅၈၉/က)၊ ရန်ကုန်-မန္တလေးအမြန်လမ်းမကြီး၊ ထိန်ကုန်းရပ်ကွက်၊ ပြည်ကြီးတံခွန်မြို့နယ်၊ မန္တလေးတိုင်းဒေသကြီး၊
	မြေနှင့် အဆောက်အဦ အကျယ်အဝန်း	- ၁၁,၇၃၅.၈၇ စတုရန်းမီတာ (၂.၉၈ဧက)
	မြေပိုင်ရှင်	- ဦးဝင်းသန်းဦး၊ ဦးတင်မျိုးဦး၊ ဦးသိန်းသန်းဦး၊ ဒေါ်သီတာထွေး
	အဆောက်အဦ အကျယ်အဝန်း	- ၅,၅၇၄ စတုရန်းမီတာ အကျယ်(၃) ထပ်အဆောက်အဦ(၁)လုံး
၃။	နှစ်စဉ်မြေနှင့်အဆောက်အဦငှားရမ်းခ	- US $ ၂၄၀,၀၀၀ တစ်နှစ်လျှင် တစ်စတုရန်းမီတာ US $ ၂၀.၄၅ နှုန်း
	မြေငှားသက်တမ်း	- ၁၀နှစ်
၄။	လုပ်ငန်းသက်တမ်း	- (၃၆) နှစ်
	တည်ဆောက်ရေးကာလ	- ၆လ
၅။	စုစုပေါင်းရင်းနှီးမြှုပ်နှံမှု	- US $ ၅.၅၀၀ သန်း
	ထည့်ဝင်သည့်အမျိုးအစား	- US $ (သန်း)
	ငွေသား	၃.၁၅၀
	စက်နှင့် စက်ပစ္စည်း(ပြည်ပဝယ်)	၀.၉၅၅
	စက်နှင့် စက်ပစ္စည်း(ပြည်တွင်းဝယ်)	၁.၁၀၉
	အဆောက်အဦ	၀.၂၈၆
	စုစုပေါင်း	**၅.၅၀၀**
၆။	ဝန်ထမ်းအင်အား	- ၁၆
	ပြည်တွင်း	- ၁၅ (အနိမ့်ဆုံး ဝန်ထမ်းတစ်ဦး၏ လစာမှာ US $ ၈၇.၀၁နှင့် အမြင့်ဆုံး ဝန်ထမ်းတစ်ဦး၏ လစာမှာ US $ ၆,၉၄၄.၄၄)
	ပြည်ပ	၁ (ဝန်ထမ်းတစ်ဦး၏ လစာမှာ US $ ၂၀,၈၃၃.၃၃)
၇။	ရောင်းချမည့်စနစ်	- ၁၀၀% ပြည်တွင်းရောင်း

၈။	ကုမ္ပဏီ၏ ဝင်ငွေ (ပုံမှန်နှစ်)	- US $ ၁၄.၆၄၃ သန်း
	ကုမ္ပဏီ၏ အသားတင်အမြတ် (ပုံမှန်နှစ်)	- US $ ၀.၆၃၃ သန်း
၉။	နိုင်ငံတော်မှရရှိမည့်အကျိုးအမြတ် (ပုံမှန်နှစ်)	
	ဝင်ငွေခွန်	- US $ ၀.၂၁၁ သန်း
	ကုန်သွယ်လုပ်ငန်းခွန်	- US $ ၀.၇၃၂ သန်း
	အရင်းကြေကာလ	- ၉ နှစ် ၁လ
	အရင်းအနှီးအပေါ်အကျိုးအမြတ်ပြန်ပေါ်နှုန်း (IRR)	- ၁၅.၃၅ %
၁၀။	လျှပ်စစ်ဓါတ်အားသုံးစွဲမှု (နှစ်စဉ်)	- ၆၈,၀၀၀ KWH